

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2 290 BROADWAY NEW YORK, NY 10007-1866

JUN 19 2013

URGENT LEGAL MATTER
PROMPT REPLY NECESSARY
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NL Industries, Inc. Three Lincoln Centre 5430 LBJ Freeway Suite 1700 Dallas, Texas 75240-2697

Attn: Courtney J. Riley, Vice President

Environmental Affairs

Environmental Affairs

Re: Notice of Potential Liability and Consent Decree Negotiations

Raritan Bay Slag Superfund Site, Old Bridge and Savreville, New Jersey

Dear Ms. Riley:

The U.S. Environmental Protection Agency ("EPA") has documented the release of hazardous substances into the environment at Raritan Bay Slag Superfund Site ("Site") located in Old Bridge and Sayreville, Middlesex County, New Jersey. Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §9601, et seq., and in response to these releases and the threat of future such releases, EPA has spent public funds and anticipates spending additional public funds.

Notice of Potential Liability

Under CERCLA and other laws, responsible parties may be held liable for any costs incurred by the government in taking response actions at the Site. The costs may include, but need not be limited to, expenditures for investigation, planning, cleanup of the Site, and enforcement actions. Responsible parties may also be subject to orders requiring them to take response actions themselves. Responsible parties under CERCLA include, among others, the current and past owners and/or operators of a facility from which there has been a release or threatened release of hazardous substances, as well as persons who arranged for the transport for disposal or treatment of hazardous substances owned or possessed by such persons

EPA has previously notified you that it considers NL Industries, Inc. ("NL") to be a potentially responsible party ("PRP") under Section 107(a) of CERCLA, 42 U.S.C. §9607(a), regarding this Site and, by this letter, EPA reiterates that it considers NL to be a PRP for this Site. EPA encourages NL to voluntarily perform or finance those response activities that EPA determines are necessary at the Site.

Response Action at the Site

In response to a release or a threat of a release of hazardous substances at the Site, EPA has taken response actions at the Site under the authority of the Superfund Program, including placing the Site on the National Priorities List ("NPL"). The NPL identifies and prioritizes sites that may warrant response action under CERCLA. EPA subsequently conducted a Remedial Investigation and Feasibility Study ("RI/FS") to identify alternative remedies for addressing contaminated soils and groundwater at the Site. EPA issued a Record of Decision ("ROD") on May 23, 2013, selecting a remedy for the Site.

The remedy chosen for the Site involves excavation, transportation and disposal of approximately 81,000 cubic yards of lead-contaminated soil and sediments and 11,000 cubic yards of slag, battery casings and associated wastes which act as a continuing source of soil, sediment and surface water contamination. Demolition debris in the form of concrete and various bricks will also be removed. The excavated materials would be treated, if necessary, prior to land disposal.

Should you wish to examine any of the documents which form the basis for the remedial actions selected by the ROD, the Administrative Record file is available for review online at http://www.epa.gov/region2/superfund/npl/raritanbayslag/; at the EPA Region 2 Records Center 290 Broadway, 18th Floor New York, New York 10007-1866; at the Old Bridge Central Library, 1 Old Bridge Plaza, Municipal Center, Old Bridge, NJ 08857; and at the Sayreville Library, 1050 Washington Rd., Parlin, NJ 08859. Please contact Tanya Mitchell at (212) 637-4362 if you wish to arrange an appointment to inspect the administrative record at the EPA office.

Commencing Negotiations

EPA would like to meet with NL's representatives as soon as practicable to ascertain NL's intentions with respect to funding or performing the RD/RA for this Site. If NL is inclined to commence negotiations in this regard, kindly advise us within 14 days and we will arrange to meet with you at a mutually convenient time.

Any agreement to conduct the RD/RA must be finalized in a judicial consent decree pursuant to Section 122 of CERCLA.

Your response to this notice letter should be sent to:

Tanya Mitchell Remedial Project Manager U.S. Environmental Protection Agency 290 Broadway, 19th Floor New York, NY 10007-1866

with a copy to:

Frank X. Cardiello
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th Floor
New York, NY 10007-1866

Decision Not to Use Special Notice

EPA has decided not to use the special notice procedures set forth of Section 122(e) of CERCLA, 42 U.S.C. § 9622(e), as EPA does not believe that those procedures would facilitate an agreement or expedite remedial action at the Site.

Please give these matters your immediate attention and consider consulting with an attorney. If you have any questions regarding this letter, please call Tanya Mitchell at (212) 637-4362. Please direct all inquiries from an attorney to Frank Cardiello at (212) 637-3148. Thank you for your prompt attention to this matter.

Sincerely yours,

Nicoletta M. Diforte

Senior Enforcement Policy Advisor

Nucletto DiFrite

Emergency and Remedial Response Division

Enclosures

cc: Christopher Gibson, Esq., Archer and Greiner

John Dickinson, Esq., NJ Div. of Law Tanya Mitchell, ERRD USEPA

Frank Cardiello, ORC-NJSB USEPA